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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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09/604,696

06/26/2000

Philip Carragher

Carr-P1-00

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02/03/2010

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EXAMINER

KARMIS, STEFANOS

ART UNIT

PAPER NUMBER

3693

MAIL DATE

DELIVERY MODE

02/03/2010

PAPER

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

<b>Office Action Summary</b>	<b>Application No.</b> 09/604,696	<b>Applicant(s)</b> CARRAGHER ET AL.	
	<b>Examiner</b> STEFANOS KARMIS	<b>Art Unit</b> 3693	

**-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --**

**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 13 August 2009.
- 2a) ☐ This action is **FINAL**.                      2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1-58 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-58 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All    b) ☐ Some \*    c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)            | 4) <input type="checkbox"/> Interview Summary (PTO-413)           |
| 2) <input type="checkbox"/> Notice of Draftperson's Patent Drawing Review (PTO-948)    | Paper No(s)/Mail Date. _____                                      |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date _____  | 6) <input type="checkbox"/> Other: _____                          |

## **DETAILED ACTION**

1. The following communication is in response to Applicant's amendment filed 13 August 2009.

### ***Status of Claims***

2. Claims 1-3, 6-15, 17, 18, 20-22, and 24-49 are currently amended. Claims 50-58 are newly added. Claims 1-58 are currently pending.

### ***Response to Arguments***

3. Applicant's arguments with respect to claims 1-58 have been considered but not persuasive. The Examiner notes that the arguments presented are general allegations that the claims define a patentable invention without specifically pointing out the full limitations or how the language of the claims patentably distinguishes them from the references. Nonetheless, the Examiner has will respond to Applicant's arguments.

4. As per claims 1-24, 28, 33-46, 50-56, 57/21, 57/22, and 58/33, Applicant argues that the prior art fails to teach the allocation instruction among a group comprising... The Examiner respectfully disagrees. Examiner first notes that claims require that the cardholder allocate the reward to either principal, interest, or both. The claims do not require that the user is presented with all three options and selects from the three options. Further, if no interest is selected, than the mortgage tax interest deduction is not calculated. Turning to the prior art, Wilcox teaches that the cardholder gives an allocation instruction to allocate the reward to principal (column 6,

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lines 7-40). Wilcox teaches that the cardholder identifies the lending institution and advises the credit card issuer as to which installment loan account to apply the rebate (column 6, lines 7-40). Therefore, Wilcox is giving an "allocation instruction" to the card issuer to apply the rebate to the outstanding principal. Further, since the principal teachings of Wilcox satisfy the claim, there limitation of calculating a mortgage tax interest deduction is not considered since it is only done "if" the allocation is to the interest or a combination of interest and principal. Therefore, this argument is not persuasive.

5. As per claims 25-27, 29, 57/25, and 57/29, Applicant argues that the prior art fails to teach "...by associating a cardholder file with a mortgage data file..." Forward teaches the use of data structures which are analogous to the data filed, since the information data structure and the incentive data structure are held in a database and can also be combined (column 47, line 51-61 and column 8, lines 1-10). Therefore this argument is not persuasive.

As per claims 30, 31, and 49, Applicant argues that the prior art fails to teach ...a function responsive to card activity, to a monthly mortgage payment, so as to produce a mortgage interest tax deduction computed for the year... The Examiner respectfully disagrees. As noted previously, Forward teaches a reward system in which a web-site offers a reward for participation in a transaction (column 2, lines 46-67). The reward includes providing several months mortgage payment, and is executed using an electronic certificate, identification number, check, coupon or other device (column 5, lines 20-40 and column 6, lines 42-52). Since a mortgage includes both principal and interest, the provided several months mortgage payment would be applied to both principal and interest. Applicant also argues that the prior art fails to teach the "so as to produce a mortgage tax deduction." However, this is not positively recited,

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such as “calculating a mortgage tax deduction.” It is well known that payment of mortgage interest produces a mortgage tax deduction. It is a result of the payment and tax law. However, the claim language does not perform any calculation or determination and instead the language is more of intended use and not positively recited. Therefore this argument is not persuasive.

6. As per claims 47, 48, 58/47, Applicant argues that the prior art fails to teach...third party computer... The Examiner respectfully disagrees. The prior art has many examples of third party computers. Therefore, this argument is not persuasive.

### ***Claim Rejections - 35 USC § 103***

7. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

8. Claims 1-5, 17-19, 28, 29, 31, 32, 33, 35, 36, 47, 48, and 50-58 are rejected under 35 U.S.C. 103(a) as being unpatentable over Wilcox et al. (hereinafter Wilcox) U.S. Patent 7,072,851 in view of NPL The Banks Fight Back by Co-Opting Cobranding (hereinafter Wells Fargo) in further view of Forward U.S. Patent 6,578,011.

Regarding independent claims 1, 28, 31, 32, 47 and 48, Wilcox teaches a method for card activity-based mortgage crediting, the method including the steps of: associating card activity with a mortgage of a cardholder (column 3, line 60 thru column 4, line 24); determining a reward by calculating a function responsive to the card activity (column 4, line 41 thru column 5, line 55); crediting the reward to the mortgage, said mortgage including interest (column 6, lines 26-

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39) and generating output including the charge card activity-based mortgage crediting (column 6, lines 26-39). Wilcox fails to teach that some of the reward is applied to the interest of the mortgage.

Wells Fargo teaches a credit card linked with mortgages (page 2, paragraph after Primary Objective). The credit card gives customers a rebate on purchases that can be applied to points, fees or mortgages refinanced at Wells Fargo (page 2, paragraph after Primary Objective). Unused rebates can be applied to buy down the mortgage's interest (page 2, paragraph after Primary Objective). Therefore Wells Fargo teaches applying a credit card reward against the interest rates, and thus also against the interest payment. Even if it could be argued that the reward is not applied to the interest, Forward teaches a reward system in which a web-site offers a reward for participation in a transaction (column 2, lines 46-67). The reward includes providing several months mortgage payment, and is executed using an electronic certificate, identification number, check, coupon or other device (column 5, lines 20-40 and column 6, lines 42-52). Since a mortgage includes both principal and interest, the provided several months mortgage payment would be applied to both principal and interest.

Therefore it would have been obvious to a person of ordinary skill in the art at the time of the Applicant's invention to modify the mortgage rewards teachings of Wilcox to include the mortgage reward teachings of Wells Fargo and the mortgage reward teaches of Forward because it provides an incentive for mortgage customers to enter into a transaction or sign-up for credit cards.

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Claims 2 and 33, further including the step of communicating a funds transfer to the cardholder (column 6, lines 7-39).

Claims 4 and 35, communicating a funds transfer to a mortgage servicer (column 6, lines 7-39).

Claims 5 and 36, communicating includes an electronic funds transfer (column 6, lines 7-39).

Claim 17, computing an annual statement of said crediting, and communicating the statement to the cardholder (column 5, lines 56 thru column 6, line 6).

Claim 18, computing mortgage interest paid by the crediting (column 5, lines 43-55).

Claim 19, associating a monthly payment with the mortgage and communicating a funds transfer including the payment to a mortgage servicer (column 6, lines 8-39).

Claim 29, programming a digital electronic computer to trigger an electronic funds transfer to another digital electronic computer (column 6, lines 26-39).

Claims 50-58 are substantially similar to claims that have already been addressed and therefore the arguments regarding these limitations apply.

9. Claims 3, 6, 25-27, 30, 34 and 37 are rejected under 35 U.S.C. 103(a) as being unpatentable over Wilcox et al. (hereinafter Wilcox) U.S. Patent 7,072,851 in view of NPL The Banks Fight Back by Co-Opting Cobranding (hereinafter Wells Fargo) in further view of Forward U.S. Patent 6,578,011 in further view of Pettit U.S. Patent 4,722,554.

Regarding claims 3, 6, 25-27, 30, 34 and 37, Wilcox in view of Wells Fargo in further view of Forward teaches a method for card activity-based mortgage crediting, the method including the steps of: associating card activity with a mortgage of a cardholder (column 3, line 60 thru column 4, line 24); determining a reward by calculating a function responsive to the card activity (column 4, line 41 thru column 5, line 55); crediting the reward to the mortgage, said mortgage including interest (column 6, lines 26-39) and generating output including the charge card activity-based mortgage crediting (column 6, lines 26-39). Wilcox teaches payment by check (column 6, lines 26-39). Forward also teaches executing the incentive using checks and coupons (column 6, lines 42-52). Wilcox in view of Wells Fargo in further view of Forward fails to specify printing a check for the amount; printing a coupon with the amount for carrying out the payment of the mortgage with the check; and combining the check and the coupon with a statement of the card activity in an envelope so as to address the envelope to the cardholder. Pettit teaches an alternative value paper refund form in which a negotiable instrument, nominally a check, and one or more coupons. The form is typically used for a rebate or refund (column 3, lines 30-47 and column 9, lines 3-25). It would have been obvious to one of ordinary skill in the art at the time of the Applicant's invention to modify the teachings of Wilcox in view of Wells



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Fargo in further view of Forward to include payment through postage because it is an efficient manner to transmit payment information stemming from a rebate or refund and is extremely well known in the financial and billing arts.

10. Claims 7, 8, 38 and 39 are rejected under 35 U.S.C. 103(a) as being unpatentable over Wilcox et al. (hereinafter Wilcox) U.S. Patent 7,072,851 in view of NPL The Banks Fight Back by Co-Opting Cobranding (hereinafter Wells Fargo) in further view of Forward U.S. Patent 6,578,011 and in further view of Atkins U.S. Patent 5,644,727.

Claims 7, 8, 38 and 39, Wilcox in view of Wells Fargo in further view of Forward teaches a method for card activity-based mortgage crediting, the method including the steps of: associating card activity with a mortgage of a cardholder (column 3, line 60 thru column 4, line 24); determining a reward by calculating a function responsive to the card activity (column 4, line 41 thru column 5, line 55); crediting the reward to the mortgage, said mortgage including interest (column 6, lines 26-39) and generating output including the charge card activity-based mortgage crediting (column 6, lines 26-39). Wilcox in view of Wells Fargo in further view of Forward teaches payment by check (column 6, lines 26-39). Wilcox in view of Wells Fargo in further view of Forward fails to teach forecasting repayment of the mortgage. Atkins teaches the management of accounts that includes the forecasting of mortgage payments (column 43, lines 47-61 and Table 16). It would have been obvious to one of ordinary skill in the art at the time of the Applicant's invention to modify the teachings of Wilcox in view of Wells Fargo in further

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view of Forward and include forecasting the mortgage payment as taught by Atkins because it elaborates on the statement taught by Wilcox to include specific information regarding the account, that an account holder would deem pertinent.

11. Claims 9-15, and 40-46 are rejected under 35 U.S.C. 103(a) as being unpatentable over Wilcox et al. (hereinafter Wilcox) U.S. Patent 7,072,851 in view of NPL The Banks Fight Back by Co-Opting Cobranding (hereinafter Wells Fargo) in further view of Forward U.S. Patent 6,578,011 in view of Atkins U.S. Patent 4,953,085.

Claims 9-15, and 40-46, Wilcox in view of Wells Fargo in further view of Forward teaches a method for card activity-based mortgage crediting, the method including the steps of: associating card activity with a mortgage of a cardholder (column 3, line 60 thru column 4, line 24); determining a reward by calculating a function responsive to the card activity (column 4, line 41 thru column 5, line 55); crediting the reward to the mortgage, said mortgage including interest (column 6, lines 26-39) and generating output including the charge card activity-based mortgage crediting (column 6, lines 26-39). Wilcox in view of Wells Fargo in further view of Forward teaches payment by check (column 6, lines 26-39). Wilcox in view of Wells Fargo in further view of Forward fails to teach allocating payment between the interest and principle. Atkins teaches account operation that schedules mortgage payments between the interest and principle (column 12, lines 10-39). Therefore it would have been obvious to one of ordinary skill in the art at the time of the Applicant's invention to modify the teachings of Wilcox in view

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of Wells Fargo in further view of Forward and include payment to either principle or interest because they both require payments that the customer is interested in allocating the credit.

12. Claims 16 and 23 are rejected under 35 U.S.C. 103(a) as being unpatentable over Wilcox et al. (hereinafter Wilcox) U.S. Patent 7,072,851 in view of NPL The Banks Fight Back by Co-Opting Cobranding (hereinafter Wells Fargo) in further view of Forward U.S. Patent 6,578,011 in view of Ogilvie U.S. Patent 6,631,358.

Claims 16 and 23, Wilcox in view of Wells Fargo in further view of Forward teaches a method for card activity-based mortgage crediting, the method including the steps of: associating card activity with a mortgage of a cardholder (column 3, line 60 thru column 4, line 24); determining a reward by calculating a function responsive to the card activity (column 4, line 41 thru column 5, line 55); crediting the reward to the mortgage, said mortgage including interest (column 6, lines 26-39) and generating output including the charge card activity-based mortgage crediting (column 6, lines 26-39). Wilcox in view of Wells Fargo in further view of Forward teaches payment by check (column 6, lines 26-39). Wilcox in view of Wells Fargo in further view of Forward fails to teach allocating a portion to charity. Ogilvie teaches directing funds on behalf of a consumer including towards a charity (column 4, lines 11-19). It would have been obvious to one of ordinary skill in the art at the time of the Applicant's invention to modify the teachings of Wilcox and include the charity teachings of Ogilvie because Wilcox in view of Wells Fargo in further view of Forward teaches that the payment can be allocated between numerous accounts including outside accounts. The charity is merely an outside account.

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13. Claims 20-22 are rejected under 35 U.S.C. 103(a) as being unpatentable over Wilcox et al. (hereinafter Wilcox) U.S. Patent 7,072,851 in view of NPL The Banks Fight Back by Co-Opting Cobranding (hereinafter Wells Fargo) in further view of Forward U.S. Patent 6,578,011.

Claims 20-22, Wilcox in view of Wells Fargo in further view of Forward teaches a method for card activity-based mortgage crediting, the method including the steps of: associating card activity with a mortgage of a cardholder (column 3, line 60 thru column 4, line 24); determining a reward by calculating a function responsive to the card activity (column 4, line 41 thru column 5, line 55); crediting the reward to the mortgage, said mortgage including interest (column 6, lines 26-39) and generating output including the charge card activity-based mortgage crediting (column 6, lines 26-39). Wilcox in view of Wells Fargo in further view of Forward teaches payment by check (column 6, lines 26-39). Wilcox fails to teach the ability to allocate credit activity from a second cardholder. Official Notice is taken that funding from a second cardholder is old and well known in the financial arts. Therefore it would have been obvious to one of ordinary skill in the art to include allocating credit activity from a second cardholder because any number of cards could be added to associate card activity with the mortgage since they all perform in the same manner as the original card used to fund the mortgage.

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14. Claim 24 and 49 are rejected under 35 U.S.C. 103(a) as being unpatentable over Wilcox et al. (hereinafter Wilcox) U.S. Patent 7,072,851 in view of NPL The Banks Fight Back by Co-Opting Cobranding (hereinafter Wells Fargo) in further view of Forward U.S. Patent 6,578,011 in view of Oppenheimer U.S. Patent 5,983,206 .

Regarding independent claim 24 and 49, Wilcox in view of Wells Fargo in further view of Forward teaches a method for card activity-based mortgage crediting, the method including the steps of: associating card activity with a mortgage of a cardholder (column 3, line 60 thru column 4, line 24); determining a reward by calculating a function responsive to the card activity (column 4, line 41 thru column 5, line 55); crediting the reward to the mortgage, said mortgage including interest (column 6, lines 26-39). Wilcox in view of Wells Fargo in further view of Forward fails to teach mortgage-backed securities. Oppenheimer teaches a process for creating new mortgage instruments and calculating payment obligations taking into consideration mortgage backed securities (column 4, lines 20-51). Therefore it would have been obvious to one of ordinary skill in the art at the time of the Applicant's invention to modify the reward teachings of Wilcox in view of Wells Fargo in further view of Forward relating to a mortgage to include the mortgage-backed securities as taught by Oppenheimer because it still outputs a mortgage amount off of which the reward can be determined.

***Conclusion***

Any inquiry concerning this communication or earlier communications from the examiner should be directed to STEFANOS KARMIS whose telephone number is (571)272-6744. The examiner can normally be reached on M-F: 8-5.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James Kramer can be reached on (571) 272-6783. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

Respectfully Submitted  
/Stefanos Karmis/  
Primary Examiner, Art Unit 3693  
3 February 2010